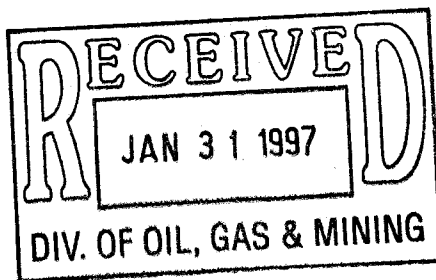


Kennecott Utah Copper Corporation
8315 West 3595 South
P.O. Box 6001
Magna, Utah 84044-6001
(801) 252-3179
(801) 252-3125 (FAX)

Elaine J. Dorward-King, Ph.D.
Director, Environmental Affairs



Kennecott

January 29, 1997

Mr. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Subject: Annual Reports for 1996, Kennecott Utah Copper

Dear Mr. Hedberg:

Enclosed are the completed annual report forms for the following DOGM permits:

- M/035/002 Bingham Pit and UCD Modernization
- M/035/011 4th Line/Copperton Concentrator
- M/035/015 North Impoundment
- M/045/004 Pine Canyon Reclamation Project

Also enclosed are one small-scale map covering the entire north Oquirrh Range showing each of the four permit areas and several large-scale maps detailing the surface facilities within the individual permit boundaries.

The permit boundary legal descriptions listed in the annual reports have also been changed from previous years and now are consistent with the original permit descriptions. KUC assumes that for permits covering overlapping areas, the newer permit will take precedence. Any disturbance or reclamation occurring in the overlapping area should be assigned to the newer permit.

KUC intends to inventory the cumulative disturbance and reclamation for each permit to insure they have been accounted for in a manner consistent with the assumption listed in the previous paragraph. Any discrepancies between disturbance or reclamation acreages and the correct permit boundary legal descriptions will be corrected in the 1997 annual report.

0021

Mr. Wayne Hedberg
January 29, 1997
Page 2

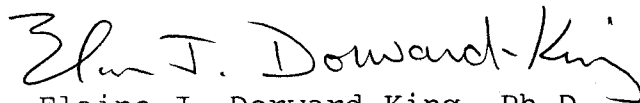
For the 1996 report, however, reporting will be done in a manner consistent with previous annual reports. Thus the reclamation performed on the Tailings Impoundment will be accounted for on the 4th line/Copperton Concentrator Annual Report even though it is within the legal boundaries of the Bingham Pit permit.

In addition to the reclamation documented in the attached reports, the following work was conducted on KUC property outside of any DOGM permit boundaries:

- Kessler Canyon - 500 acres aerial seeded with native grasses, shrubs and trees
- Garfield and Surroundings - 38 acres seeded with rye grass, wild flowers and 60 deciduous trees planted
- Town of Copperton - trees and shrubs planted around the outskirts of town, and in the town park and cemetery

If you have any questions about the enclosures or about KUC's interpretation of the individual permit boundaries, please phone me at 252-3179.

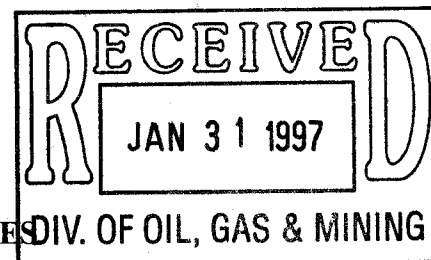
Sincerely,


Elaine J. Dorward-King, Ph.D.
Director, Environmental Affairs

EJDK\RB:bt

Enclosures

File: OPS-RR-BCM-ANNUAL RECLAMATION REPORT



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940

ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) **1/96** To (mo./yr.) **12/96**
2. DOGM File Number (Mine No.): **M/035/002**
3. Mine Name: **Bingham Pit & UCD Modernization**
4. Mineral(s) Mined (or permitted to mine): **Copper and associated metals.**
5. Type of mine: ☒ Surface Mine or ☐ Underground Mine
6. Legal Description, (Location of Lands Affected):

Sections 7, 8, 9, 10, 11, 17, 18, 19, 20, 21, 30, & 32T1S, R2W;
Sections 9, 11, 12, 13, 14, 15, 16, 22, 23, 24, 25, 26 & 36.....T1S, R3W;
Sections 4, 5, 9, 10, 11, 14, 15, 22, 23, 27 & 33.....T2S, R2W;
Sections 7, 17, 18 & 19.....T3S, R1W;
Sections 4, 8, 9, 13, 14, 15, 16, 17, 19, 20, 21, 24, 25,
28, 29, 30, 31, & 32.....T3S, R2W;
Sections 11, 12, 13, 14, 15, 21, 22, 23, 24, 25, 26, 27,
33, 34, 35 & 36.....T3S, R3W;
Sections 6 & 7.....T4S, R2W;
Sections 1, 2, 3, 11 & 12.....T4S, R3W;

Salt Lake Base and Meridian, Salt Lake County, Utah

7. Name of Operator or Company: Kennecott Utah Copper Corporation
8. Permanent Street Address: P. O. Box 6001
City, State, Zip: 8315 W. 3595 South
Magna, UT 84044
Phone: (801) 252-3179
9. Company Representative (or designated operator):
Name: Elaine J. Dorward-King, Ph.D.
Title: Director, Environmental Affairs
Business Address: P. O. Box 6001
City, State, Zip: Magna, UT 84044
Phone: (801) 252-3179

X Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes X No ___
2. If active, how much ore or mineral was mined? 57.1 million short tons
3. How much additional acreage was disturbed during the past year?

Approximately 60.2 acres in waste rock disposal areas surrounding the open pit, 600 acres on the drainages at the foot of the Eastside Dumps and 49 acres around the old evaporation ponds. Total disturbed area was 709.2 acres.

4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

Actual mining excavations disturbed no new acres while waste rock disposal activities disturbed 60.2 acres. The 600 acres disturbed around the Eastside Dumps in 1996 were associated with the installation of a groundwater cutoff wall in Bingham Creek, and the construction of other leach and storm water collection facilities. Closure and cleanup activities at the evaporation ponds disturbed an additional 49 acres. As described below, much of this acreage was also reclaimed in 1996.

5. How much acreage was reclaimed during the past year? In 1996, 550 acres were reclaimed by slope reduction, recontouring and/or topsoil emplacement. About 1779 acres were seeded and fertilized.

6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

Eastside Drainages	122 acres seeded and fertilized 250 acres recontoured, topsoiled, and drainage established
Lark Area	7 acres seeded and fertilized 50 acres recontoured, topsoiled, fill added and drainage established
Bingham Creek Area	101 acres seeded and fertilized 101 acres unsuitable soil removed, low pH soils amended, fill added, recontoured and topsoiled
Evaporation Ponds	49 acres seeded and fertilized 49 acres recontoured and drainage established
Eastside Dumps	50 acres recontoured, topsoiled, and drainage established
Miscellaneous Areas	50 acres roads and borrows reclaimed, slopes reduced, recontoured and topsoiled
Eastside Tree Planting	Approximately 13,000 shrub and tree seedlings were planted in channel bottoms, north-facing slopes and reclaimed waste rock dump areas
Little Valley	1500 acres drill seeded, aerial seeded and hand planted with native grasses, trees and shrubs

It should be noted that the areas that were seeded in the spring had shown vigorous growth and successful establishment by late fall. Those areas seeded in the fall of 1996 will be evaluated in the spring of 1997.

7. What is the total disturbed acreage at years end? 6525.6 acres
8. Briefly summarize any mining and/or reclamation plans for the upcoming year.

The 1997 Reclamation Activities Plan is being prepared and will be submitted to the Division by February 28, 1997.

NOTE:

Section III., "Additional Information" applies only to **large mining operations.**

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

An updated surface facilities map of the Bingham Canyon Mine and surrounding areas was provided to the Division during a meeting at KUC on December 13, 1996. Maps for other facilities within the permit boundaries are attached.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be submitted.

The 1996 Reclamation Activities Plan will be submitted to the Division by February 28, 1997.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): Elaine J. Dorward-King Ph.D.

Title of Operator: Director, Environmental Affairs

Signature of Operator: Elaine J. Dorward-King

Date: January 29, 1997